



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

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TO: ECONOMIC MATTERS COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
**RE: H.B. 1048- PUBLIC UTILITIES- INVESTOR-OWNED
UTILITIES- PREVAILING WAGE**
POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes H.B. 1048 which is before you today for consideration. The bill would require investor-owned gas and/or electric utilities to require contractors and subcontractors on specified underground projects to pay their employees at least the applicable prevailing wage rate.

ABC has two major objections to this bill. First, the prevailing wage requirement will boost the cost of the project. The fiscal note has a conservative estimate of an increase between 2%-5%. At a time when the state is looking to raise taxes to fund Kirwan, it is bad timing for the state to artificially increase the cost of jobs undertaken by the utility industry.

Second, we believe it is bad public policy to have the state dictating to a contractor, what their sub-contractors should be paying their employees. Because many of the contracts between the utilities and the subcontractors are multi-year in nature, we recommend that should this bill move forward, that an amendment be added that would exclude any contracts signed prior to the October 1, 2020 effective date of the legislation.

On behalf of the over 1,500 ABC members across the state, we respectfully request an unfavorable report on H.B. 1048.

Robert Zinsmeister, Director
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